



Foreign Agricultural Service

GAIN Report

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Pakistan

Grain and Feed

Wheat Update: MY 2001/02 Final Wheat Production 2002

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Report Highlights:

Based on final estimates from the Ministry of Food, Agriculture and Livestock (MINFAL), Pakistan's MY 2001/02 wheat production topped 19 Million Metric Tons (MMT). MY 2001/02 wheat imports consisted solely of World Food Program (WFP) shipments destined for Afghanistan and Afghan refugees in Pakistan. MY 2001/02 ending stocks, held largely by the government, will be higher than expected due to limited international exports and cross border trade with Afghanistan

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Islamabad [PK1], PK

Production

Despite a decrease in area and estimated 40 percent shortfall in irrigation supplies, Pakistan harvested 19.023 MMT of wheat in MY 2001/02. Most sources believe increased use of phosphatic fertilizer and herbicides were the primary factors leading to the better-than-expected yields.

Table 1: Wheat Production, Supply and Demand

PSD Table						
Country	Pakistan					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		05/1999		05/2000		05/2001
Area Harvested	8231	8231	8463	8463	8300	8250
Beginning Stocks	3750	3750	3252	3252	3728	3728
Production	17854	17854	21079	21079	19000	19023
TOTAL Mkt. Yr. Imports	2100	2100	150	150	500	1000
Jul-Jun Imports	1766	1766	150	150	500	1000
Jul-Jun Import U.S.	432	432	0	0	0	150
TOTAL SUPPLY	23704	23704	24481	24481	23228	23751
TOTAL Mkt. Yr. Exports	0	0	253	253	1000	1000
Jul-Jun Exports	0	0	253	253	1000	1000
Feed Dom. Consumption	400	400	500	500	400	500
TOTAL Dom. Consumption	20452	20452	20500	20500	20400	20000
Ending Stocks	3252	3252	3728	3728	1828	2751
TOTAL DISTRIBUTION	23704	23704	24481	24481	23228	23751

Consumption

The MY 2001/02 wheat consumption estimate has been reduced slightly to account for limited unaccounted cross-border trade with Afghanistan due to liberal wheat export policy. (This illegal cross border trade is counted in the production, Supply and Demand tables as domestic market consumption.)

Trade

Pakistan is unlikely to export more than 1.0 MMT of wheat in MY 2001/02 despite an export subsidy of more than \$60 per metric ton. Of this forecast 840,000 MT has been shipped (around 380,000 MT to Afghanistan, 85,440 MT to U.A.E., 71,000 MT to Iraq, East Africa 39,000 MT, Egypt 25,000 MT, Sudan 16,500 MT, Kenya

14,500 MT, Yemen 14,364 MT, and 174,000 MT to unknown destinations. Trade said there was some unofficial movement to Afghanistan in the beginning of MY 2001/02 before the adoption of liberal trade policy.

The government believes that the quality problems (due to lack of a grading system) and lack of experience and reputation as a reliable supplier are the major factors limiting exports. The government currently cleans all export shipments. The government also is working to encourage greater private sector participation in the wheat export business. The government is optimistic that Pakistan can emerge as a minor exporter but in order to do so must be prepared to export a minimum of 500,000 tons annually, independent of production. Other observers are not so certain, given Pakistan's limited land and water resources, combined with a rapidly growing population.

MY 2001/02 imports consist solely of World Food Program (WFP) shipments and other donations destined for Afghanistan and Afghan refugees residing in Pakistan.

Stocks

Ending stocks of MY 2001/02 are higher than expected due to limited cross border wheat and flour trade with Afghanistan due to military actions in Afghanistan and lower-than-expected exports.